

# GSK Pension Scheme

## Summary Trustee Report

For the year ending 31 December 2023



# Welcome to your Report

Welcome to the 2023 GSK Pension Scheme (the 'Scheme') Summary Trustee Report, which provides a summary of the finances, investments and funding of the Scheme over the year to 31 December 2023.

## Investment update

The two key themes of 2023 were rising interest rates and elevated inflation. In response to rising inflation, central banks such as the Bank of England raised interest rates, sparking fears of a recession. However, these worries eased towards the end of 2023 as inflation appeared to stabilise.

The Scheme's investments increased in value over the year. Markets were largely positive, with global equities in particular performing well as investors became increasingly more optimistic about the outlook for the economy and technological advances such as AI.

As we've moved into 2024, the outlook remains somewhat uncertain due to the upcoming US election and ongoing increased political tensions. The Trustees continue to monitor the situation closely although the diversified nature of the investments mean that the Scheme should not be overly exposed to one risk in particular.

Within the Defined Contribution ('DC') section, members are invested in a number of asset classes, including equities and bonds, according to their preference – or, if no preference is selected, they are invested within the default strategy. More information can be found on [page 8](#) and specific member performance can be found in your annual benefit statement.



# Climate-related report

Climate change is widely accepted as posing a significant risk to the value of long-term investments. Along with other large pension schemes, we published a climate related report setting out our approach to managing and monitoring climate risk.

## It also includes:

- Our governance structure for climate-related risks and opportunities
- Our strategy, including actual and potential impacts of climate risks and opportunities
- Scenario analysis which considers how the schemes may be affected either by a rise in global average temperature that falls within the goals of the Paris Agreement, or by a rise of 3 degrees Celsius
- Risk management and how climate-related risks are identified, assessed, and managed
- The metrics used to measure our climate impact, and the associated target

A copy of the report can be found on the Trustee website in the same location as this Summary Trustee Report:

1. Go to: [www.gskpensions.co.uk](http://www.gskpensions.co.uk)
2. Click on 'Governance'
3. Select your pension plan to read the relevant information under 'Key Documents'
4. You can print or save the report if you want to



## Membership

The figures below show the membership of the Scheme as at 31 December 2023.

Defined Benefit (DB) section	Deferred members	5,173
	Pensioners	10,816
Defined Contribution (DC) section	Employee members	211
	Deferred members	2,551
	Pensioners	n/a
GSKPP	Employee members	9,997
	Deferred members	16,461
	Pensioners	422

**Employee members** - work for GSK and were contributing to the Scheme at 31 December 2023.

**Deferred members** - are employees and former employees who are no longer accruing benefits but have not yet retired.

**Pensioners** - are receiving a pension from the Scheme.

**GSKPP** - The GSK Pension Plan is a section of the Scheme which is open to new Employees

## Trustee's mission statement

### Defined Benefit section

Our mission is to run the Scheme to the best of our ability and in accordance with best practice so that members receive their benefits as promised.

### Defined Contribution section

Our mission is to run a market leading pension plan which delivers strong investment returns on members' savings and which provides a positive, inclusive and engaging member experience.



## Financial highlights

The table below summarises the assets for the year to 31 December 2023.

	£m Defined Benefit	£m Defined Contribution
Value as at 31 December 2022	4,087	2,376
Income - GSK contributions*	194	161
Investment returns	248	350
Expenditure**	(186)	(137)
Value as at 31 December 2023	4,343	2,750

\*GSK contributions include member contributions paid via Salary Sacrifice.

\*\*Expenditure includes benefits paid, transfers to other schemes and administrative expenses.

## Defined Benefit section

### The Summary Funding Statement of the Defined Benefit section of the Scheme

The Trustee and GSK regularly review the funding of the Defined Benefit section of the Scheme to ensure that there will be sufficient funds to cover current and expected future pension payments. The Scheme's actuary carries out a formal actuarial valuation at least every three years. Between these valuations, annual updates at 31 December each year along with quarterly updates are provided to the Trustee, in order to monitor the assets and liabilities. These serve as an important check on the funding position.

The next formal valuation of the Scheme is being carried out as at 31 December 2023. The valuation is a detailed process, giving the Trustee the chance to assess the funding position based on full member by member data and also review the various assumptions that are needed to work out the funding position of the Scheme.

We will share the outcome of the 31 December 2023 valuation once it is complete, which is likely to be in time for next year's Summary Trustee Report. In the meantime the table below shows the funding position at the three previous year-ends.

	£m 31 Dec 2020 Formal valuation	£m 31 Dec 2021 Annual update	£m 31 Dec 2022 Annual update
Assets <sup>1</sup>	6,115	6,197	4,087
Liabilities <sup>1</sup>	6,719	6,797	4,479
Surplus/(Deficit)	(604)	(600)	(392)
Funding level	91%	91%	91%

<sup>1</sup>Includes the insurance policies but excludes the Defined Contribution benefits.

As described in last year's report, the 91% funding level at 31 December 2022 remained unchanged from a year earlier. In line with most UK pension schemes, the value of the assets and liabilities both fell significantly during 2022. In addition, the significant contributions from the Company over this period have helped to maintain the funding level. The actuary's quarterly reports through 2023 indicate that the position has improved since 31 December 2022.

### Additional contributions

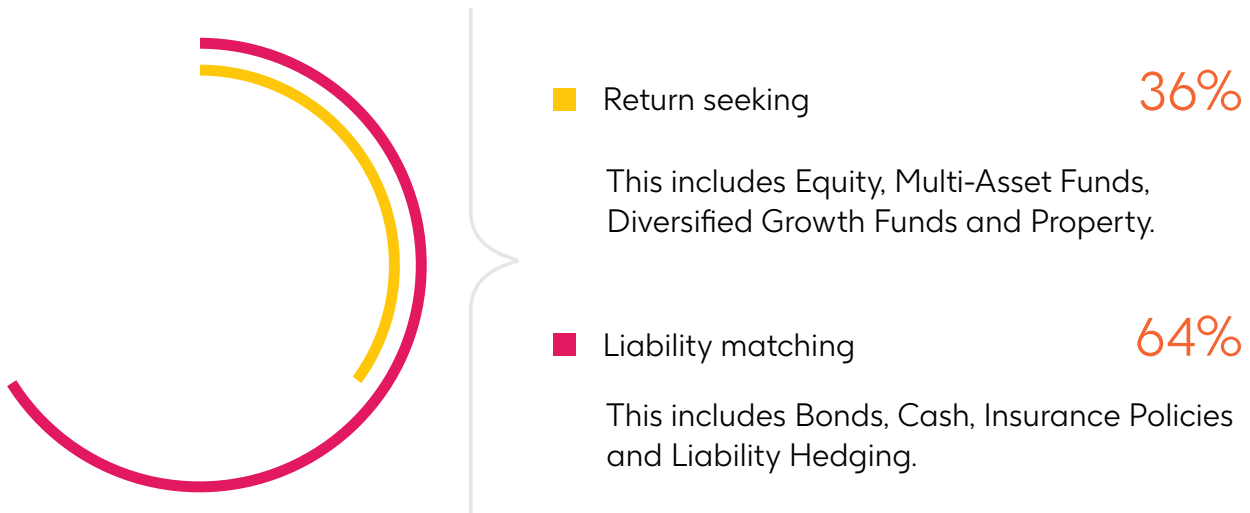
Any shortfall in assets compared with forecasted funding requirements identified at an actuarial valuation will be eliminated by the payment of additional contributions in accordance with the recovery plan agreed between the Trustee and the Company.

As part of the 2020 actuarial valuation, the Trustee and Company agreed to remove the deficit by January 2027 through an agreed schedule of contributions. The agreed contributions have now been paid in full, earlier than planned, and the need for any further contributions will be considered as part of the 31 December 2023 valuation that is currently ongoing.

## Defined Benefit section

### How the DB assets are invested

At 31 December 2023 the Scheme's DB asset allocation was invested as shown below.



### If GSK were to become insolvent

In the unlikely event that GSK were to become insolvent, the Scheme would have to be wound up and the Trustee would seek to secure members' benefits with an insurance company.

If responsibility for the Scheme's benefits were to be transferred to an insurance company, the actuary has estimated that the defined benefit section of the Scheme had sufficient assets, as at 31 December 2022, to secure around 80% of Scheme members' benefits with an insurance company (compared to 77% as at 31 December 2021 and 76% as at 31 December 2020). We expect this funding level to have improved over 2023 and will confirm the latest position as part of the current valuation.

Pension Scheme members' benefits receive a degree of protection from the Pension Protection Fund (PPF). If GSK were to become insolvent and there were insufficient funds in the Scheme to provide full pension benefits, a reduced level of benefits would be payable to the members from the PPF.

#### No payments to GSK

The law requires the Trustee to confirm whether there were any payments made to GSK from the Scheme's assets since the last summary funding statement. We can confirm that no payments have been made to GSK from the Scheme's assets since the last summary funding statement (which is summarised above).

#### No intervention by the Pensions Regulator

The law requires the Trustee to confirm whether over the 12 months to 31 December 2023 the Pensions Regulator has modified the Scheme Rules or imposed a schedule of contributions on the Scheme. We can confirm that the Pensions Regulator has taken no such steps in relation to the Scheme.

## Defined Contribution section

### Investment fund performance for the year to 31 December 2023

The table below shows the performance figures (after fees) for the largest three DC investment funds, which form part of the default investment option.

Funds	Over the last year	Over the last 3 years (Annualised)
GSK Lifecycle	13.3%	6.6%
GSK Global Equity Index	18.1%	7.8%
GSK Retirement Income Multi-Asset	7.6%	1.9%

Please remember that past performance is not a guide to future returns. For more information on how your funds are invested, please check your latest pension statement:

<https://epa.towerswatson.com/accounts/gsk/>

### Fund changes

In March 2023, we wrote to DC members about changes to the Lifecycle strategies (including the default strategy) that members can invest in, a name change of one of the Lifecycle strategies and an additional fund that members can decide to invest in. If you did not receive this letter, please contact the administrator using the contact details on [page 11](#).



### Chair's DC statement

We published this year's Chair's statement which includes the steps we take to ensure good governance of the Scheme. It is included in the full report and accounts, which can be found on the Trustee website in the same location as this Summary Trustee Report:

1. Go to [www.gskpensions.co.uk](http://www.gskpensions.co.uk)
2. Click on 'Governance'
3. Select your pension plan to read the relevant information under 'Key Documents'
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## Do you know where your pension is invested?

Did you know your pension money is invested in global companies whose products and decisions will shape our future?

The Trustees are excited to introduce Tumelo to members.



Hello and welcome  
to Tumelo!

Tumelo enables you to see which companies your pension contributions are invested in and allows you to cast votes on issues that matter to you. The Investment Managers may use your votes (along with those from other pension scheme members) to decide how to engage with companies on these issues.

Although companies are not bound by the outcome of voting activity on the Tumelo platform, it can help to start important conversations.

You can find out more

by watching this video:

<https://vimeo.com/718228998>

To register – please visit:

<https://gsk.platform.tumelo.com/>



## Trustees and advisers

### Who looks after the Scheme?

The Scheme is set up under trust deeds and is managed by the Trustees (who are Directors of the Corporate Trustee, GSK Pension Plans Trustee Limited, which was called Berkeley Square Pension Trustee Company Limited until 1 October 2023).

### The Trustees at 31 December 2023 were:

#### Independent Trustees (Who have never worked for GSK):

- The Law Debenture Pension Trust Corporation plc - represented by Mark Ashworth (Chair)
- The Law Debenture (JIC) Pension Trust Corporation plc - represented by Keith Scott
- Ross Trustees Services Limited - represented by Pavan Bhardwaj

#### GSK Appointed Trustees:

- Paul Blackburn
- Mandy Cooke
- Tom Houston
- Dave Wiggins

#### Member Nominated Trustees:

- Geraldine Flavell (pensioner)
- Josephine Osikena (employee)
- Rob Pullinger (employee)

#### Secretary to the Trustee:

- Carolina Lyons - Pensions Director

## Changes

On 1 October 2023, the three pension trustee boards overseeing the GSK UK pension plans combined into one. The entity responsible for governing all the GSK UK pension plans was renamed GSK Pension Plans Trustee Limited. The united board oversees the following plans:

- GSK Pension Scheme
- GSK Pension Fund
- SmithKline Beecham Pension Plan
- SmithKline Beecham Senior Executive Pension Plan
- Glaxo Wellcome Contracted-out Money Purchase Scheme

As a result of this united board project, David Brown, Wei Lan and David Wintle resigned and Josephine Osikena and Rob Pullinger were appointed to the Board during 2023. Subsequently, Mandy Cooke resigned from 1 January 2024 and was replaced by Louisa Yates.

The Trustees would like to thank David (B), Mandy, Wei and David (W) for their efforts and welcome Josephine, Rob and Louisa.

## Advisers

### The advisers are:

#### Actuary:

- Tim Panter of WTW

#### Auditor:

- Grant Thornton

#### Legal adviser:

- Sacker & Partners LLP

#### Investment and asset allocation advisers:

- Isio Group Limited (for the DB section) from 1 July 2023
- Mercer Limited - DC section

#### Administrator:

- WTW



## Where can you get more information?

### Pension helpline:

#### Email

[GSKpensions@wtwco.com](mailto:GSKpensions@wtwco.com)

#### Phone

01737 227 563

#### Address

WTW  
PO Box 545,  
Redhill, Surrey, RH1 1YX

### Total Reward for employees:

#### Online

[HR Hub via Service Now](#)

[www.totalrewardonline.co.uk](http://www.totalrewardonline.co.uk)

### Copies of the report

You can print or save this report if you want to. If you would like to receive a paper copy, you can contact your Pension helpline to request one.